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**Western Michigan University**

# **Equipment Insurance Policy**

**Business Services**

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## Policies and Procedures For New Departments

For any department that would like insurance with WMU for the first time, call Business Services (387-4825), and they will send an EQUIPMENT INSURANCE POLICY REQUEST FORM (see attached).

- 1) The REQUEST FORM must be detailed, providing both departmental and equipment information.
  - A) Departmental information includes your name, the name of the requester, your fund and cost center to be charged, and an authorized signature.
  - B) Equipment information includes the type of equipment, its value, its serial number, and the WMU number.
- 2) You must return your REQUEST FORM to Business Services for processing.
- 3) **Business Services:**
  - A) reviews the REQUEST FORM for completeness, then divides the equipment based on type:
    - Fine Arts, such as:
      - \* art exhibits while on campus
      - \* trophies
      - \* fine pieces of furniture
      - \* special musical instruments
    - Business Electronic Equipment, such as:
      - \* data and word processing computer equipment
      - \* facsimile machines
      - \* printers
      - \* photocopiers
    - Miscellaneous/Scheduled Equipment, such as:
      - \* radio and television equipment
      - \* cameras
      - \* sailboats
      - \* gravity meters
  - B) applies the current rate for the equipment being added and charges the department a premium. There is a minimum premium of \$200.00 per trip for items that need in-transit coverage for travel outside of the United States, Canada, and Puerto Rico. This same minimum premium for in-transit coverage is applied to pieces from the Permanent Art Collection and the Sculpture Tour. Whereas the property of others for which the insured is liable while on exhibition at various locations on campus the value is not to exceed \$20,000.00 for any one item, nor more than \$100,000.00 at any one location, nor more than \$235,000.00 in any one occurrence. If any art exhibition exceeds these limits then a “rider” must be purchased. If any piece within an exhibition exceeds the “allowed limit” then the Fine Arts Rate (see attachment for rate) will be applied to the difference between the “allowed limit” and the artist’s “desired limit.” This figure becomes the rider amount, and is charged on a per exhibition basis, if needed. If this rider amount falls below the \$200.00 minimum, then a rate of \$200.00 will be charged. If this rider amount is above the \$200.00 minimum, then the higher amount has to be charged. All other items will have a premium based on the standard rates (see attachment for price examples). If any of these items are added throughout the year, and the premium is \$100.00 or more, the premium will be pro-rated. If the item is valued at \$10,000 or more, it will be subject to a \$100.00 minimum premium, regardless of the term of coverage. If the total insured value is \$100,000.00 or more, alternative deductibles and rates are available (see the attached rate sheet for details).
  - C) completes an INTRA to charge the department for the insurance coverage. A copy of the INTRA is sent to the department.
  - D) updates the internal EQUIPMENT INSURANCE POLICY REPORT to include the new department(s) and equipment.

## Policies and Procedures Renewal Process

Since the expiration date is July 1st, Business Services begins the renewal process in late May or early June each year, drafting a letter that is sent to each department that had equipment insured the previous year. The department must decide if it wants to continue coverage.

- 1) Attached to the letter are a blank EQUIPMENT INSURANCE POLICY REQUEST FORM and a copy of the department's equipment from the previous year. The department must cross off any item it wants canceled from the policy, and complete the REQUEST FORM with the equipment they want to add for the new year. Any equipment from the original list that is not crossed off will also be renewed.
- 2) Once the department has reviewed and updated their policy renewal, the department needs to initial the renewal information and return it to Business Services, **even if there are no changes** to the policy and they want the same coverage. If they want to cancel the insurance coverage completely, they need to indicate so on the renewal information, initial it, and return it to Business Services.
- 3) **Business Services:**
  - A) processes the department renewal information, and updates the EQUIPMENT INSURANCE POLICY (making the deletions and additions).
  - B) reviews the REQUEST FORM for completeness, then divides the equipment based on type:
    - Fine Arts, such as:
      - \* art exhibits while on campus
      - \* trophies
      - \* fine pieces of furniture
      - \* special musical equipment
    - Business Electronic Equipment, such as:
      - \* data and word processing computer equipment
      - \* facsimile machines
      - \* printers
      - \* photocopiers
    - Miscellaneous/Scheduled Equipment, such as:
      - \* radio and television equipment
      - \* cameras
      - \* sailboats
      - \* gravity meters
  - C) applies the current rate for the equipment being renewed by the department and charges a premium. There is a minimum premium of \$200.00 per trip for items that need in-transit coverage for travel outside of the United States, Canada, and Puerto Rico. This same minimum premium for in-transit coverage is applied to pieces from the Permanent Art Collection and the Sculpture Tour. Whereas the property of others for which the insured is liable while on exhibition at various locations on campus the value is not to exceed \$20,000.00 for any one item, nor more than \$100,000.00 at anyone location, nor more than \$235,000.00 in any one occurrence. If any art exhibition exceeds these limits then a "rider" must be purchased. If any piece within an exhibition exceeds the "allowed limit" then the Fine Arts Rate (see attachment for rate) will be applied to the difference between the "allowed limit" and the artist's "desired limit." This figure becomes the rider amount, and is charged on a per exhibition basis, if needed. If this rider amount falls below the \$200.00 minimum, then a rate of \$200.00 will be charged. If this rider amount is above the \$200.00 minimum, then the higher amount has to be charged. All other items will have a premium based on the standard rates (see attachment for price examples). If any of these items are added throughout the year, and the premium is \$100.00 or more, the premium will be pro-rated. If the item is valued at \$10,000 or more, it will be subject to a \$100.00 minimum premium, regardless of the term of coverage. If the total insured value is \$100,000.00 or more, alternative deductibles and rates are available (see the attached rate sheet for details).
  - D) calculates the renewal premium of each department and completes an INTRA to charge the department for the insurance coverage. A copy of the INTRA is sent to the department.

## Policies and Procedures Property Loss

For any department that has damaged equipment or miscellaneous items insured through the EQUIPMENT INSURANCE POLICY.

- 1) Contact Business Services (387-4825) about the insured item that has been damaged or stolen.
- 2) Business Services will check the EQUIPMENT INSURANCE POLICY to ensure that the actual item is on the policy and covered by insurance.
- 3) If the item is covered by the policy, Business Services will send your department an **EQUIPMENT INSURANCE POLICY PROPERTY LOSS NOTICE FORM** (see attached).
  - A) Complete the form and return it to Business Services.
  - B) Business Services will check the information on the form to reimburse your department for the loss minus the \$250.00 deductible. The reimbursement is done on an INTRA, and a copy is sent to the department after it has been completed. **Note that any Property Loss is subject to a \$250.00/\$500.00/\$1,000.00 deductible per incident (see the attached rate sheet for details on the deductible). Pieces that are part of the Sculpture Tour are subject to a \$1,000.00 deductible per incident.**

**Equipment Insurance Policy  
Item/Equipment Price Rates  
(based on a \$250.00 deductible)**

<b>EQUIPMENT TYPE</b>	<b>RATE per \$100 of insurance</b>
Business Electronic Equipment	\$.72
Fine Arts/Precious Stones	\$.79
Miscellaneous/Scheduled Property	\$1.20
Radio/TV Equipment	\$.41
Bailee/Tech Shop	\$.57
Contractors/Geography Equipment	\$.98
Transit Coverage: Domestic	\$.22
Transit Coverage: Foreign	\$.33

**Formula:** Value of item/equipment ÷ \$100. x Rate of item/equipment = Premium charged

**Item/Equipment Price Examples**

<u>Item</u>	<u>Valued At</u>	<u>Cost</u>
<u>Fine Arts/Precious Stones</u>		
Fine pieces of furniture	\$175,000.00	\$1,382.50
Trophies	\$330,000.00	\$2,607.00
Lyon Healy Harp w/ case	\$6,350.00	\$50.17
Painting	\$32,000	\$252.80
Sculpture	\$20,000.00	\$158.00

Business Electronic Equipment

MacPowerbook 520 Computer	\$2,308.00	\$16.62
Various personal computers	\$100,000.00	\$720.00
Panafax UF-260 Facsimile Machine	\$1,805.00	\$13.00
C2003A LaserJet 4L	\$659.00	\$4.75
Cannon Copier NP6650	\$8,000.00	\$57.60

Miscellaneous/Radio/TV/Geography Equipment

Panasonic Television Model 2583	\$600.00	\$2.46
Various radio equipment/transmitter	\$175,000.00	\$717.50
Eiki Video Projector	\$2,250.00	\$27.00
Junior Class Sailboat	\$5,400	\$64.80
Geometric Seismograph RX-24	\$24,000.00	\$235.20

**NOTE:** A deductible of \$500.00 with a 10% discount in premium, or a deductible of \$1,000.00 with a 20% discount in premium, is available to departments that have a total insured value of \$100,000.00 or more.

